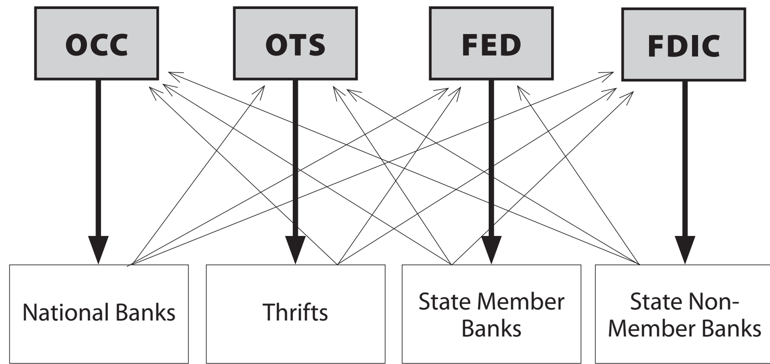
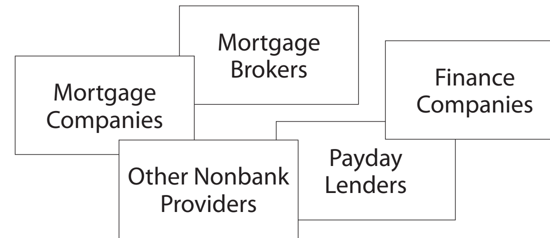
Status Quo



Banks can switch charters to pick their own primary federal supervisors based on who will be most permissive.

NO FEDERAL REGULATOR



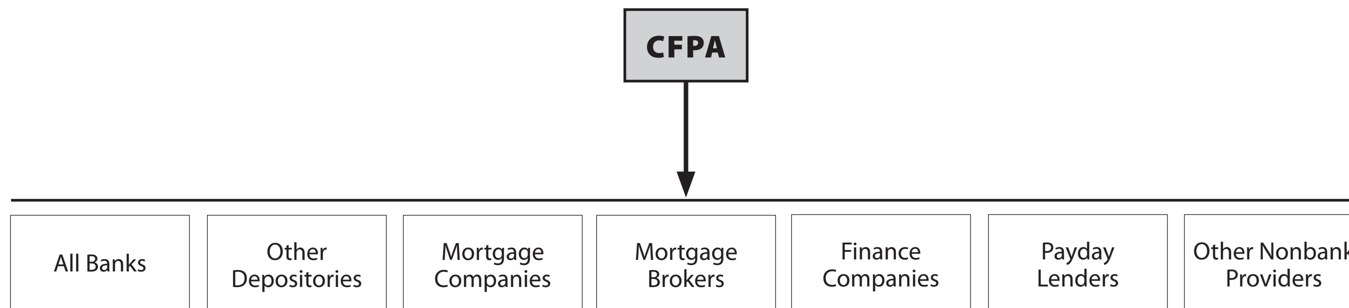
No federal regulator examines nonbank institutions and collects comprehensive information.

- **no clear mission to protect consumers**
  Existing banking regulators have a primary mission of keeping banks safe and sound, and put consumers at a distant second.
- **weak standards, unlevel playing field**
  The absence of consistent supervision for nonbanks drives down standards and tilts the playing field to bad practices — making it especially hard for small, community banks to compete. Within the banking sector, banks can switch their charters to pick their own regulator, lowering standards for all.
- **divided authority**
  Supervision and enforcement for financial services are divided across multiple agencies. Rulewriting is fragmented and often separated from supervision and enforcement, causing inefficiencies and delays.

  Too little, too late: the banking agencies took years to issue joint guidance on subprime mortgages.

Consumer Financial Protection Agency

one agency, one mission, market-wide coverage



- **focused mission**
  The agency will put consumers first, protect them from abuse, and preserve consumer choice.
- **high standards, level playing field**
  The agency's market-wide coverage and comprehensive scope will curtail opportunities for abuse. Institutions will no longer be able to game the system by choosing a weaker regulatory regime.
- **consolidated authority**
  Placing rulemaking, supervision, and enforcement in one agency better protects consumers, improves effectiveness and reduces inefficiencies.